

# Audit's® NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

## Realty Trust Review

December 23, 1980  
Priced December 18

VOL. XI, No. 24

### INVESTMENT OUTLOOK AND STATISTICAL ISSUE

|                                                                                |     |
|--------------------------------------------------------------------------------|-----|
| Investment strategy: Lower prices provide portfolio upgrading opportunity..... | 1   |
| REITs in the news: Wrap-up of liquidations, financings; tax bill status.....   | 7   |
| Portfolio groups of No. 1 ranked stocks.....                                   | 2   |
| Graph of Audit Investment Index of mortgage and property (equity) trusts.....  | 3   |
| Summary balance sheet totals of trust groups.....                              | 3   |
| Computerized Comparative Trust Group Averages.....                             | 3   |
| Comparative Trust Statistics for 149 realty trust shares and funds.....        | 4&5 |
| Statistics for 43 convertible and 29 straight bond issues of trusts.....       | 6   |
| Statistics for 6 warrants issued by trusts.....                                | 6   |
| How to use Comparative Trust Statistics.....                                   | 6   |

### INVESTMENT STRATEGY: LOWER PRICES PROVIDE OPPORTUNITY FOR PORTFOLIO UPGRADING

The market has tumbled fast and far from the highs of late last month, when the Dow Jones Industrial average closed briefly over 1000. Since our last statistical issue, the Dow has fallen 6.8%, to 930.20; prices for the REITs and former REITs as a group have held up better, off 3.9%.

What is remarkable, of course, is not that the 1000 level was unsustainable, but that stock prices have been as strong as they have been in the face of a  $21\frac{1}{2}\%$  prime rate and the increasing certainty of the "double-dip" recession. Too, year-end profit taking, after the long run-up in prices through 1980 also has a depressive effect.

We take this as bullish, and view recent weakness in stock prices as an opportunity to establish or increase positions in issues that were becoming

slightly pricy.

Several of the large equity trusts saw substantial declines in price of 10% or more in the past month, including American Equity, Florida Gulf Realty, General Growth Properties, and San Francisco REI. Overall, the group was down 4.1% on the month, a worse performance than all the realty trust stocks as a group. The equity trusts remained 15.3% over the January 1 level, also a worse performance than all of the REIT stocks, which were up 18.8%. In general, these stocks tend to be more fully priced than others of the group; they also carry less risk and are less subject to wild fluctuations.

In fact all of the different trust groups remained above the beginning of the year level, with the exception, as would be expected, of the short-term mortgage trusts which were down 8.4% on the month and 6.6% on the year. Worst performer in both the month and

### WITH OUR SISTER SERVICE

*HOUSING & REALTY INVESTOR's December 19 issue contained our annual review of the savings and loan industry, including an outlook on the effects of deregulation.*

*Single copies: \$15 prepaid*

KENNETH D. CAMPBELL, PRESIDENT/NANCY G. BOYLAND, SECURITIES/FAYE KREISMAN, STATISTICS/AUDIT INVESTMENT RESEARCH, INC. 230 PARK AVE., N.Y. 10017

REALTY TRUST REVIEW, HOUSING & REALTY INVESTOR, and special industry investment reports are published by Audit Investment Research, Inc., an independent advisor registered with the Securities and Exchange Commission under the Investment Adviser's Act of 1940. Under no circumstances is anything contained herein to be construed as an offer to purchase or a solicitation to sell any security mentioned. Information has been obtained from sources believed to be reliable and reasonable care has been exercised in compilation, but accuracy or completeness cannot be guaranteed. Expressions of opinion are solely the responsibility of the publisher and may be changed at any time without notice. Periodical advisory services are mailed to reach subscribers no later than the Monday following publication date; Audit's officers, employees and printers are not permitted to trade upon any recommendation until the Tuesday following. Investment management clients of Audit may be effecting transactions in securities at any time. Subscriptions may not be assigned without consent and unused portion refunded on request. All stock charts courtesy R. W. Mansfield Co. Copyright © 1980 by Audit Investment Research, Inc., 230 Park Ave., New York, N.Y. 10017. May not be reproduced or photographed in any form without written permission. Additional copies available at group rates.

PUBLISHED TWICE MONTHLY ON THE SECOND AND FOURTH FRIDAYS SUBSCRIPTIONS \$164 ANNUALLY SINGLE COPY \$10 (RELATIVE APPEAL \$20) RECENT BACK ISSUES \$2.00 TO NON-TRIAL SUBSCRIBERS



## PORTFOLIO GROUPS OF NO. 1 RANKED STOCKS

| Trust                                    | -Ranked No.1-<br>Date | Recent<br>Price | Ann.#<br>Price | %<br>Chng. | Yield* | Trust                                                                            | -Ranked No.1-<br>Date | Recent<br>Price | Ann.#<br>Price | %<br>Chng. | Yield* |
|------------------------------------------|-----------------------|-----------------|----------------|------------|--------|----------------------------------------------------------------------------------|-----------------------|-----------------|----------------|------------|--------|
| <u>High income property trusts (5)</u>   |                       |                 |                |            |        | <u>Speculative recovery, low yield (10)</u>                                      |                       |                 |                |            |        |
| Amer. Equ.                               | 12/7/79               | \$10.13         | \$13.63        | +33.0      | 11.8%  | CompassIn.                                                                       | 4/13/79               | 1.50            | 1.25           | -10.1%     | --     |
| Hotel Inv.                               | 2/9/79                | 17.88           | 26.88          | +24.3      | 14.5   | Eastover..                                                                       | 4/13/79               | 9.00            | 15.50          | +37.5      | 2.2%   |
| MassMut.M.                               | 9/8/78                | 14.88           | 12.00          | - 9.0      | 11.3   | FGI Invst.                                                                       | 4/13/79               | 4.50            | 5.25           | + 9.4      | 1.1    |
| Mtg. Grow.                               | 9/8/78                | 7.63            | 11.00          | +17.3      | 15.2   | Maryland.                                                                        | 4/13/79               | 3.75            | 2.25           | -25.8      | --     |
| Pacif.-So.                               | 9/8/78                | 8.38            | 6.75           | - 9.0      | 13.1   | MissionIn.                                                                       | 12/7/79               | 6.50            | 4.88           | -24.1      | --     |
| Group average..                          |                       |                 |                | +11.3%     | 13.2%  | Parkway..                                                                        | 10/12/79              | 5.75            | 8.13           | +33.2      | --     |
| <u>Income plus long-term growth (13)</u> |                       |                 |                |            |        | Security.                                                                        | 1/26/79               | 3.50            | 3.50           | 0.0        | --     |
| BankAmerR.                               | 10/24/80              | 25.00           | 24.38          | -14.0      | 8.0%   | TIERCO...                                                                        | 10/26/79              | 3.75            | 4.88           | +25.3      | --     |
| CleveTrst.                               | 5/25/79               | 6.50            | 9.88           | +30.3      | 4.3    | Transam..                                                                        | 11/10/78              | 5.88            | 8.13           | +16.5      | --     |
| ConnGen..                                | 11/11/77              | 19.88           | 26.50          | + 9.6      | 11.1   | WalterRl.                                                                        | 12/7/79               | 5.13            | 7.25           | +39.4      | --     |
| Federal R                                | 12/8/78               | 16.50           | 19.63          | + 8.9      | 10.4   | Group averages.                                                                  |                       |                 |                | +10.1%     | 0.3%   |
| First Un.                                | 3/23/79               | 12.25           | 21.38          | +37.5      | 11.4   | # Compound annual rate of change since selection. A-Adjusted for \$15 div. 5/80. |                       |                 |                |            |        |
| Fla. Gulf.                               | 12/8/78               | 12.50           | 17.25          | +17.1      | 11.2   | *Yield on entry price.                                                           |                       |                 |                |            |        |
| Gen.Grow.                                | 11/21/79              | 20.38A          | 20.00A         | - 1.7      | 2.0    | <u>No. 1 Rankings reduced in 1980:</u>                                           |                       |                 |                |            |        |
| GREIT Rl.                                | 7/11/80               | 10.75           | 14.25          | +85.0      | 3.7    | Trust                                                                            | Begin                 | End             | Date           | Chng.      |        |
| Hosp. Mtg.                               | 2/9/79                | 9.75            | 13.88          | +077       | 11.3   | Central.                                                                         | 10.50                 | 12.50           | 8/8            | +19.0%     |        |
| ICM Rlty.                                | 12/21/79              | 14.25           | 20.25          | +42.1      | 10.9   | Commwlth.                                                                        | 8.50                  | 8.50            | 4/11           | 0.0%       |        |
| IRT Prop.                                | 10/10/80              | 12.38           | 14.25          | +132.6     | 8.9    | Franklin.                                                                        | 10.25                 | 24.25           | 7/11           | +136.6%    |        |
| PennREIT.                                | 12/28/78              | 15.00           | 24.50          | +27.8      | 13.3   | Kenilwth                                                                         | 35.50                 | 38.25           | 7/11           | + 8.8%     |        |
| Prop.Cap.                                | 12/21/79              | 14.88           | 25.88          | +73.8      | 12.6   | Moraga..                                                                         | 3.00                  | 10.00           | 12/12          | +233.3%    |        |
| Group averages.                          |                       |                 |                | +36.1      | 9.2%   | Avg. Chng...                                                                     |                       |                 |                | +79.5%     |        |
| ALL INCOME TRUSTS                        |                       |                 |                | +29.2%     | 10.3%  |                                                                                  |                       |                 |                |            |        |

the year was Equitable Life Mortgage, off 20.5% and 31.3% respectively. The group is only yielding 9.8%, unattractive in the current market, with the overhanging threat of dividend cuts because of eroded earnings. This group is in a long-term downtrend, and shares are only suitable for trading.

The next-worst performance over the year, again unsurprisingly, was posted by the long-term mortgage trusts, up only 3.5% since the beginning of the year, following a 3.8% drop in price over the last month. The yield on the group is a more attractive 12.5%, and as the shares generally carry less rate exposure from short-term debt, these can be purchased as rates top out, to ride the price up as rates fall.

Other trusts groups exhibited much wider swings in prices among the individual issues, and posted a much stronger

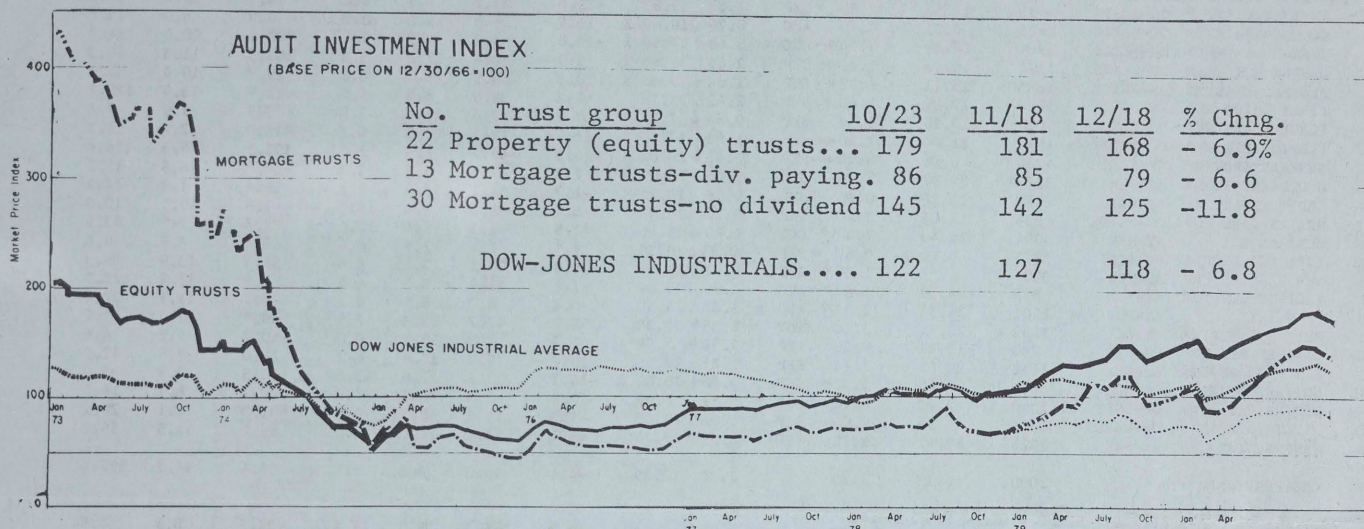
performance since the beginning of the year. It is much harder to generalize about these groups, as the stock prices reflect expectations regarding asset sales, liquidations, financing, and so forth for the individual issues.

Notable performers since the beginning of the year, all of which have at least doubled in price, include Franklin Realty, Great American M&I, Southmark Properties, American Fletcher Mortgage, First Wisconsin Mortgage, and CMT Investment Co. All of these were recovery/-liquidation speculations; only Franklin paid a (nominal) dividend.

Guidelines for selections remain the same. Look to get into situations with recent price weakness with strong fundamentals. The biggest exposure in most cases is the time frame, where high rates and a slow economy mean that it will

(cont'd on p. 7)





### Summary of Comparative Trust Group Averages for the Month

| GROUP                        | QUAL | NON-QUAL | TOTAL | SHARE (000) | BOOK VALUE | ANN DIV | EARN ANN | LAST PRICE | -% CHNG MON AGO | FROM-- JAN 1 | P/E RATIO | ANN YIELD | % PR TO BK | RETURN ON BK | MARKET VALUE |
|------------------------------|------|----------|-------|-------------|------------|---------|----------|------------|-----------------|--------------|-----------|-----------|------------|--------------|--------------|
| PROPERTY-LARGE               | 24   | 0        | 24    | 2080        | 16.13      | 1.25    | 2.27     | 18.29      | -4.1            | 15.3         | 8.1       | 6.8       | 13.4       | 14.1         | 899.4        |
| -SMALL                       | 10   | 0        | 10    | 1106        | 13.91      | 1.68    | 1.73     | 17.75      | 1.8             | 29.9         | 10.3      | 9.5       | 27.6       | 12.4         | 232.1        |
| -SUBOR LAND                  | 3    | 0        | 3     | 1862        | 18.28      | 1.89    | 3.71     | 22.38      | 5.9             | 36.6         | 6.0       | 8.5       | 22.4       | 20.3         | 125.1        |
| AVERAGE 3 PROP GROUPS        |      |          | 37    | 1799        | 15.70      | 1.41    | 2.23     | 18.47      | -1.7            | 20.7         | 8.3       | 7.7       | 17.7       | 14.3         | 1256.6       |
| PROP & MTG COMBINATION       | 12   | 10       | 22    | 2443        | 11.70      | 0.95    | 1.23     | 12.21      | -4.2            | 32.1         | 9.9       | 7.8       | 4.3        | 10.5         | 793.0        |
| SHORT-TERM MTG               | 11   | 0        | 11    | 2402        | 17.74      | 1.15    | 1.81     | 11.76      | -8.4            | -6.6         | 6.5       | 9.8       | -33.7      | 10.2         | 334.6        |
| LONG-TERM MTG/PROP           | 8    | 0        | 8     | 3979        | 15.10      | 1.21    | 1.12     | 9.64       | -3.8            | 3.5          | 8.6       | 12.5      | -36.1      | 7.4          | 309.1        |
| MTG/FCLSD PROP-MISC          | 2    | 5        | 7     | 4394        | 5.13       | 0.01    | 0.73     | 4.14       | -11.8           | 21.5         | 5.6       | 0.3       | -19.3      | 14.3         | 122.1        |
| -BANK                        | 0    | 10       | 10    | 2114        | 6.11       | 0.03    | -0.20    | 5.93       | -6.3            | 37.0         | -         | 30.1      | 0.5        | -3.0         | 117.2        |
| -INDEPEND                    | 0    | 45       | 45    | 4529        | 5.16       | 0.01    | 0.77     | 3.84       | -6.2            | 18.6         | 5.0       | 0.4       | -25.5      | 14.9         | 523.5        |
| AVERAGE 3 MTG/FCLSD PROP     |      |          | 62    | 4124        | 5.30       | 0.01    | 0.60     | 4.21       | -6.8            | 22.7         | 6.9       | 0.4       | -20.6      | 11.5         | 762.8        |
| OVERALL AVERAGE              | 70   | 70       | 140   | 3102        | 10.59      | 0.69    | 1.26     | 10.14      | -3.9            | 18.8         | 8.0       | 6.8       | -4.3       | 11.9         | 3456.1       |
| DOW-JONES INDUSTRIAL AVERAGE |      |          |       |             |            |         |          | 116.40     | 930.20          | -6.8         | 10.9      | 8.0       | 5.9        |              |              |

### Profile of Realty Trust Balance Sheets at Latest Report

| No.                   | ---Invested Assets---   | % Non- & % Change  | Loss    | Foreclosed | All      | Share-         | Depre-   | Taxloss       |
|-----------------------|-------------------------|--------------------|---------|------------|----------|----------------|----------|---------------|
|                       | Total Non/Low-Earn.     | Low-earn. In Month | Reserve | Property   | Debt     | holders Equity | ciation  | Carry-forward |
| PROPERTY.....         | 37 \$ 2,010M \$ 43M     | 2%                 | -1.5%   | \$ 14M     | \$ 15M   | \$ 1,291M      | \$ 743M  | \$ 289M       |
| PROPERTY & MTG.....   | 22 1,823 245            | 13                 | -0.8    | 33         | 57       | 1,267          | 608      | 145           |
| SHORT/TERM MTG.....   | 11 1,083 116            | 11                 | +0.1    | 27         | 94       | 580            | 511      | 6             |
| L/T MTG/PROPERTY..... | 8 952 71                | 7                  | -1.0    | 10         | 51       | 484            | 472      | 6             |
| MTG/FORECLOSED PROP.  | 62 3,128 1,697          | 54                 | -5.3    | 368        | 1,125    | 1,891          | 882      | 76            |
| TOTALS/AVERAGES....   | 140 \$ 8,997M \$2,171M* | 24%                | -4.3%   | \$451M     | \$1,341M | \$5,512M       | \$3,216M | \$523M        |
|                       |                         |                    |         |            |          |                |          | \$1,959M      |

\* Includes \$613M or 6.8% low-earning assets.

M=Million.



| RELATIVE<br>APPEAL                                    | EXCH/<br>SYMBOL   | SHARE<br>(000) | BOOK<br>VALUE | ANN<br>DIV | -EARNINGS--<br>MON ANN | LAST<br>PRICE | % CHANGE<br>MON AGO | FROM-<br>JAN 1 | P/E<br>RATIO | ANN<br>YIELD | % PR<br>TO BK | RETURN<br>ON BK | MKT VA<br>(MIL\$) |
|-------------------------------------------------------|-------------------|----------------|---------------|------------|------------------------|---------------|---------------------|----------------|--------------|--------------|---------------|-----------------|-------------------|
| PROPERTY TRUSTS-OVER \$25M ASSETS                     |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 1                                                     | AM EQUITY INV #   | OC-AEQTS       | 2497          | 11.68      | 1.20                   | SEP           | 1.82                | 13.63          | -15.5        | 21.2         | 7.5           | 8.8             | 34.0              |
| 3                                                     | COMMONWLT RLTH    | OC-CRTYC       | 1425          | 9.91       | 0.40                   | AUG           | 0.79                | 10.50 X        | -11.7        | 23.5         | 13.3          | 3.8             | 15.0              |
| 3                                                     | CONSOL CAP RLT#   | OC-CCPLS       | 1989          | 28.10      | 2.64                   | ←AUG          | 5.61                | 27.50 X        | -18.5        | -5.2         | 4.9           | 9.6             | 54.7              |
| 2                                                     | DENVER REI ASN#   | OC-DENVS       | 1101          | 18.18      | 1.40                   | ←SEP          | 2.06                | 36.63 X        | 5.7          | 68.4         | 17.8          | 3.8             | 40.3              |
| 1                                                     | FEDERAL REALTY#   | AS-FRT         | 1884          | 15.11      | 1.72                   | ←SEP          | 1.64                | 19.63 X        | 0.3          | 30.9         | 12.0          | 8.8             | 37.0              |
| 1                                                     | FIRST UNION RE#   | NY-FUR         | 5620          | 17.39      | 1.40                   | ↑SEP          | 2.42                | 21.38          | 1.2          | 39.0         | 8.8           | 6.5             | 120.2             |
| 2                                                     | FLATLEY RL INV#   | OC-FTLTS       | 1000          | 10.90      | 0.30                   | SEP           | 0.64                | 7.75           | 0.0          | 47.6         | 12.1          | 3.9             | 7.8               |
| 1                                                     | FLORIDA GLF RL#   | OC-FGLFS       | 997           | 21.04      | 1.40                   | ←JUL          | 1.36                | 17.25 X        | -12.0        | 13.1         | 10.5          | 8.1             | 17.2              |
| 1                                                     | GENERAL GROWTH#   | NY-GGP         | 6242          | 6.86       | 0.40                   | ←SEP          | 12.78               | 20.00          | -14.0        | -47.7        | 1.6           | 2.0             | 124.8             |
| 2                                                     | GOULD INVESTOR#   | AS-GTR         | 1173          | 20.97      | 1.36                   | JUN           | 3.05                | 13.00 X        | -7.2         | -7.1         | 4.3           | 10.5            | 15.2              |
| 1                                                     | GREIT REALTY      | AS-GRT         | 998           | 11.26      | 0.40                   | JUL           | 0.19                | 14.25          | -1.7         | 54.1         | 75.0          | 2.8             | 14.2              |
| NR                                                    | HEALTH CARE FD    | OC-HCFDS       | 934           | 11.64      | 1.60                   | SEP           | 2.22                | 10.75          | -6.5         | -2.3         | 4.8           | 14.9            | 10.0              |
| 2                                                     | HUBBARD REI       | NY-HRE         | 4004          | 25.40      | 2.00                   | ↑OCT          | 1.90                | 15.88 X        | -1.5         | -1.5         | 8.4           | 12.6            | 63.6              |
| NR                                                    | INTL INC PROP #   | OC-IIPI        | 1977          | 9.69       | 0.67                   | SEP           | 0.81                | 10.50          | 7.7          | 2.4          | 12.5          | 6.4             | 19.6              |
| 2                                                     | NEW PLAN RL TR#   | AS-NPR         | 3304          | 6.55       | 1.02                   | ↑JUL          | 0.91                | 11.88 X        | 4.0          | 30.1         | 13.1          | 8.6             | 39.3              |
| 2                                                     | PACIFIC RL TR#    | AS-PTX         | 845           | 24.30      | 1.40                   | ←AUG          | 2.94                | 25.00          | -7.4         | 11.7         | 8.5           | 5.6             | 21.1              |
| 1                                                     | PENN REIT #       | AS-PEI         | 1561          | 24.55      | 2.00                   | ↑AUG          | 2.87                | 24.50          | -5.8         | 3.7          | 8.5           | 8.2             | 38.2              |
| 2                                                     | REIT OF AMERICA   | AS-REI         | 1633          | 22.59      | 2.20                   | NOV           | 2.36                | 31.38          | 8.2          | 47.7         | 13.3          | 7.0             | 51.2              |
| 2N                                                    | RIVIERE REALTY#   | PH-RRT.X       | 783           | 11.92      | 0.00                   | SEP           | 0.58                | 5.88           | 9.3          | 2.3          | 10.1          | 0.0             | 4.6               |
| 2                                                     | SAN FRAN RE IN#   | AS-SFI         | 1518          | 23.08      | 1.76                   | SEP           | 1.81                | 28.25          | -10.7        | 20.2         | 15.6          | 6.2             | 42.9              |
| NR                                                    | UNIVERSITY REI#   | OC-URETS       | 3495          | 9.07       | 1.32                   | ←SEP          | 0.86                | 10.00 X        | -10.1        | 11.1         | 11.6          | 13.2            | 35.0              |
| NR                                                    | USP RE EST INV#   | OC-USPTS       | 2500          | 9.43       | 0.72                   | SEP           | 0.82                | 6.63           | -10.2        | -5.3         | 8.1           | 10.9            | 16.6              |
| 2N                                                    | VIRGINIA REIT #   | OC-VARES       | 1024          | 14.99      | 0.00                   | SEP           | 1.06                | 19.63          | -1.3         | 78.5         | 18.5          | 0.0             | 20.1              |
| 2                                                     | WASH RE (WRIT)#   | AS-WRE         | 1526          | 22.41      | 2.72                   | SEP           | 2.57                | 37.25 X        | -6.1         | 33.6         | 14.5          | 7.3             | 56.8              |
| GROUP AVERAGE                                         |                   | 2080           | 16.13         | 1.25       |                        |               | 2.27                | 18.29          | -4.1         | 15.3         | 8.1           | 6.8             | 899.4             |
| PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| NR                                                    | GENERAL RE SHS#   | OC-GRELS       | 557           | 15.60      | 2.04                   | SEP           | 1.32                | 10.50          | -19.2        | -4.5         | 8.0           | 19.4            | 5.8               |
| NR                                                    | MILLER(HS) TRST   | OC-HSMTS       | 560           | 18.75      | 1.80                   | ←NOV          | 1.57                | 26.25          | 0.0          | 47.9         | 16.7          | 6.9             | 14.7              |
| NR                                                    | OLD DOMINION #    | OC-ODRES       | 711           | 9.14       | 0.64                   | ↑SEP          | 1.32                | 7.88           | 0.0          | 23.5         | 6.0           | 8.1             | 5.6               |
| NR                                                    | PITTS & W VA RR   | AS-PW          | 1510          | 23.38      | 0.57                   | SEP           | 0.88                | 5.00 X         | -6.4         | -2.5         | 5.7           | 11.4            | 7.6               |
| NR                                                    | RL EST INV PRP#   | OC-REIPS       | 959           | 8.82       | 1.36                   | ←SEP          | 1.51                | 10.75          | 0.0          | 0.0          | 7.1           | 12.7            | 10.3              |
| NR                                                    | REIT OF CALIF     | OC-RTCAL       | 719           | 10.32      | 1.75                   | SEP           | 1.86                | 17.00          | 0.0          | 6.3          | 9.1           | 10.3            | 12.2              |
| NR                                                    | TERRYDALE RLTY#   | OC-TRYLS       | 337           | 24.65      | 1.80                   | ←JUN          | 1.66                | 26.00          | 7.2          | 44.4         | 15.7          | 6.9             | 8.8               |
| NR                                                    | US EQUITY & MTG   | OC-USEM        | 1079          | 2.44       | 1.18                   | ↑JUL          | 1.20                | 8.25 X         | 2.7          | -2.9         | 6.9           | 14.3            | 8.9               |
| 1                                                     | Z-HOTEL INVESTOR# | AS-HOT         | 1838          | 20.72      | 2.60                   | AUG           | 3.31                | 26.88          | -8.1         | 39.6         | 8.1           | 9.7             | 49.4              |
| 2                                                     | Z-SANTA ANITA     | OC-SACDZ       | 2791          | 5.25       | 3.04                   | ↑SEP          | 2.66                | 39.00          | 7.6          | 63.3         | 14.7          | 7.8             | 108.8             |
| GROUP AVERAGE                                         |                   | 1106           | 13.91         | 1.68       |                        |               | 1.73                | 17.75          | 1.8          | 29.9         | 10.3          | 9.5             | 232.1             |
| PROPERTY TRUSTS-SUBOR LAND LEASEBACK                  |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 1                                                     | ICM REALTY        | AS-ICM         | 3011          | 15.80      | 1.55                   | ↑AUG          | 1.78                | 20.25          | 3.8          | 37.3         | 11.4          | 7.7             | 61.0              |
| 2                                                     | JMB REALTY        | OC-JMBRS       | 510           | 21.73      | 2.25                   | MAY           | 4.12                | 21.00          | 10.5         | 13.5         | 5.1           | 10.7            | 10.7              |
| 1                                                     | PROPERTY CAPITL   | AS-PCL         | 2065          | 17.32      | 1.88                   | OCT           | 5.22                | 25.88 X        | 0.4          | 63.0         | 5.0           | 7.3             | 53.4              |
| GROUP AVERAGE                                         |                   | 1862           | 18.28         | 1.89       |                        |               | 3.71                | 22.38          | 5.9          | 36.6         | 6.0           | 8.5             | 125.1             |
| PROPERTY & MTG COMBINATION                            |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 3N                                                    | API TRUST         | OC-APIUS       | 1390          | 6.85       | 0.00                   | SEP           | -0.54               | 3.13           | -16.5        | 19.0         | 0.0           | 0.0             | 4.4               |
| 1                                                     | BANKAMER RLTY     | NY-BRE         | 3571          | 17.64      | 2.00                   | OCT           | 1.82                | 24.38 X        | -3.4         | 33.6         | 13.4          | 8.2             | 87.1              |
| 3N                                                    | BRT REALTY        | AS-BRT         | 1400          | 2.17       | 0.00                   | AUG           | 0.29                | 1.38           | -8.0         | 46.8         | 4.8           | 0.0             | 1.9               |
| 1                                                     | CONN GENL M&R #   | NY-CGM         | 5901          | 20.82      | 2.20                   | SEP           | 3.18                | 26.50          | -6.6         | 13.3         | 8.3           | 8.3             | 156.4             |
| 1                                                     | HOSPITAL MTG #    | AS-HMG         | 1178          | 23.96      | 1.10                   | SEP           | 1.24                | 13.88 X        | -7.3         | 35.4         | 11.2          | 7.9             | 16.4              |
| 1                                                     | IRT PROPERTY CO#  | AS-IRT         | 2333          | 13.66      | 1.10                   | SEP           | 2.10                | 14.25          | -0.9         | 50.0         | 6.8           | 7.7             | 33.2              |
| 1                                                     | MORTGAGE GROWH#   | AS-MTG         | 2648          | 12.42      | 1.16                   | ↑AUG          | 1.58                | 11.00          | -12.0        | 25.7         | 7.0           | 10.5            | 29.1              |
| 2                                                     | PROPTY TR AMER#   | OC-PTRAS       | 2406          | 9.48       | 1.57                   | SEP           | 1.77                | 9.25           | -9.8         | 25.3         | 5.2           | 17.0            | 22.3              |
| 2                                                     | RLTY & MTG PAC    | NY-RPC         | 2789          | 17.96      | 1.80                   | ←NOV          | 1.70                | 20.00          | -0.6         | 32.2         | 11.8          | 9.0             | 55.8              |
| 3                                                     | REALTY INCOME     | AS-RLT         | 1591          | 9.22       | 0.80                   | ←OCT          | -0.43               | 6.00 X         | -4.6         | -20.0        | 0.0           | 13.3            | 9.5               |
| 2                                                     | WELLS FARGO M&E   | NY-WFM         | 3965          | 18.82      | 2.00                   | ←SEP          | 2.44                | 24.13          | 2.7          | 70.8         | 9.9           | 8.3             | 95.7              |
| 2                                                     | WESTERN MTG       | BO-WMTGS       | 1003          | 8.18       | 0.24                   | AUG           | 0.18                | 4.00           | -8.7         | 18.3         | 22.2          | 6.0             | 4.0               |
| GROUP AVERAGE                                         |                   | 2515           | 13.43         | 1.16       |                        |               | 1.28                | 13.16          | -2.9         | 30.3         | 10.3          | 8.8             | 515.8             |
| SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR          |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 2N                                                    | BAYSWATER RLTY    | OC-BRITS       | 1043          | 20.55      | 0.00                   | APR           | 4.89                | 9.00           | -12.2        | -2.7         | 1.8           | 0.0             | 9.4               |
| 2N                                                    | CENTRAL MTG&RLY   | OC-CMRTS       | 775           | 15.26      | 0.00                   | SEP           | 1.79                | 11.50          | -8.0         | 17.9         | 6.4           | 0.0             | 8.9               |
| NR                                                    | CONSOL CAP INCO   | OC-CCITS       | 4008          | 22.60      | 2.50                   | ←SEP          | 3.55                | 22.25 X        | -5.4         | -12.7        | 6.3           | 11.2            | 89.2              |
| NR                                                    | DEL-VAL FINCL     | OC-DVALS       | 1345          | 9.18       | 1.56                   | ↑SEP          | 1.27                | 9.25 X         | -10.7        | -9.8         | 7.3           | 16.9            | 12.4              |
| 3                                                     | EQUIT LF MTG&RL   | NY-EQ          | 5663          | 22.93      | 1.40                   | OCT           | 0.55                | 10.13          | -20.5        | -31.3        | 18.4          | 13.8            | 57.4              |
| 3                                                     | FIRST CONTNL RE   | OC-FCRES       | 2106          | 10.41      | 1.20                   | ↑NOV          | 1.14                | 7.88           | -3.1         | 5.1          | 6.9           | 15.2            | 16.6              |
| 3                                                     | FRASER MTG        | OC-FRASS       | 1038          | 16.24      | 1.04                   | AUG           | 0.76                | 7.25           | -14.7        | -21.6        | 9.5           | 14.3            | 7.5               |
| 2                                                     | LOMAS & NET MTG   | NY-LOM         | 3700          | 28.01      | 2.42                   | SEP           | 2.42                | 17.75          | -7.8         | -7.8         | 7.3           | 13.6            | 65.7              |
| 2                                                     | M&T MORTGAGE      | OC-MIMIS       | 1707          | 10.94      | 1.68                   | ←AUG          | 1.86                | 11.50          | -11.5        | -5.2         | 6.2           | 14.6            | 19.6              |
| 3                                                     | NATIONWIDE RE     | OC-NRELS       | 1047          | 24.58      | 0.88                   | SEP           | 0.86                | 14.75          | -9.2         | 7.3          | 17.2          | 6.0             | 15.4              |
| 1N                                                    | TRANSAMER RLTY    | NY-TAR         | 3993          | 14.47      | 0.00                   | AUG           | 0.78                | 8.13           | -14.4        | 14.0         | 10.4          | 0.0             | 32.5              |
| GROUP AVERAGE                                         |                   | 2402           | 17.74         | 1.15       |                        |               | 1.81                | 11.76          | -8.4         | -6.6         | 6.5           | 9.8             | 334.6             |
| LONG-TERM MTGS & PROPERTIES                           |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 1                                                     | MASSMUTUAL MTG    | NY-MML         | 4670          | 19.94      | 1.68                   | ↑OCT          | 1.61                | 12.00 X        | -11.3        | 2.1          | 7.5           | 14.0            | 56.0              |
| 2                                                     | MONT MTG INV      | NY-MYM         | 8956          | 9.79       | 0.92                   | ←NOV          | 0.82                | 7.38           | -9.2         | -3.3         | 9.0           | 12.5            | 66.1              |
| 3                                                     | NW MUT LIFE MTG   | NY-NML         | 4758          | 18.84      | 1.12                   | SEP           | 0.77                | 9.25           | -7.5         | 2.8          | 12.0          | 12.1            | 44.0              |
| 1                                                     | PACIF SOUTHRN MT  | OC-PSMTS       | 800           | 11.97      | 1.10                   | ↓SEP          | 0.90                | 6.75           | -10.0        | -15.6        | 7.5           | 16.3            | 5.4               |
| 3                                                     | PNB MTG & RLTY    | NY-PNI         | 4771          | 16.73      | 1.28                   | SEP           | 1.39                | 10.63          | -11.4        | 18.1         | 7.6           | 12.0            | 50.7              |
| 2                                                     | REALTY REFUND     | NY-RRF         | 1377          | 17.30      | 1.19                   | OCT           | 1.19                | 8.38 X         | -3.3         | -19.3        | 7.0           | 14.2            | 11.5              |
| 2                                                     | UNITED RLTY IN    | AS-URT         | 3610          | 17.66      | 1.16                   | ←NOV          | 1.10                | 13.50          | 5.9          | 38.5         | 12.3          | 8.6             | 48.7              |
| NR                                                    | US MUTUAL RE      | OC-USMRS       | 2890          | 8.54       | 1.20                   | OCT           | 1.21                | 9.25           | 0.0          | 2.8          | 7.6           | 13.0            | 26.7              |
| GROUP AVERAGE                                         |                   | 3979           | 15.10         | 1.21       |                        |               | 1.12                | 9.64           | -3.8         | 3.5          | 8.6           | 12.5            | 309.1             |
| MTG & FORECLOSED PROPERTY-MISC SPONSOR                |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                   |
| 2N                                                    | QMT INVESTMT CO   | OC-QMTIS       | 2052          | 3.59       | 0.00                   | SEP           | 0.64                | 4.38           | -12.4        | 168.7        | 6.8           | 0.0             | 9.0               |
| 3N                                                    | HEITMAN MTG INV   | AS-HTM         | 3292          | 1.69       | 0.00                   | SEP           | 0.27                | 1.75           | -17.8        | -6.9         | 6.5           | 0.0             | 5.8               |
| GROUP AVERAGE                                         |                   | 2672           | 2.64          | 0.00       |                        |               | 0.46                | 3.07           | -14.0        | 74.6         | 6.7           | 0.0             | 14.8              |



December 23, 1980

5

| RELATIVE<br>APPEAL                                      | EXCH/<br>SYMBOL   | SHARE<br>(000) | BOOK<br>VALUE | ANN<br>DIV | -EARNINGS--<br>MON ANN | LAST<br>PRICE | % CHANGE<br>MON AGO | FROM-<br>JAN 1 | P/E<br>RATIO | ANN<br>YIELD | % PR<br>TO BK | RETURN<br>ON BK | MKT VA<br>(MILS) |
|---------------------------------------------------------|-------------------|----------------|---------------|------------|------------------------|---------------|---------------------|----------------|--------------|--------------|---------------|-----------------|------------------|
| PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT) |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                  |
| 4N                                                      | AMER REALTY       | OC-ARB         | 2222          | 3.51       | 0.00                   | JUN           | 0.36                | 4.50           | -10.0        | 56.3         | 12.5          | 0.0             | 28.2             |
| 2N                                                      | BAY FINCL CORP    | NY-BAY         | 3334          | 6.93       | 0.00                   | AUG           | 0.61                | 7.13           | -10.9        | 7.5          | 11.7          | 0.0             | 2.9              |
| 3                                                       | CITIZENS GROWTH   | OC-CITGS       | 801           | 8.91       | 0.20                   | JUL           | 1.94                | 5.25           | -12.5        | 61.5         | 2.7           | 3.8             | -41.1            |
| 2                                                       | FRANKLIN RLTY     | AS-FR          | 1534          | 8.94       | 0.40                   | SEP           | 0.49                | 23.63 X        | -2.7         | 101.1        | 48.2          | 1.7             | 164.3            |
| 2N                                                      | INDIANA FCL INV   | OC-IFII        | 1154          | 8.21       | 0.00                   | SEP           | -0.86               | 3.88           | -6.1         | 19.4         | 0.0           | 0.0             | -52.7            |
| 2                                                       | KENILWORTH REIT   | NY-KRT         | 2683          | 25.41      | 6.00                   | AUG           | 5.17                | 32.00          | -1.9         | 10.8         | 6.2           | 18.8            | 25.9             |
| 2                                                       | SAUL (BF) REIT    | NY-BFS         | 5893          | 4.78       | 0.05                   | SEP           | 1.42                | 9.00           | -7.7         | 24.1         | 6.3           | 0.6             | 88.3             |
| 2                                                       | US REALTY INV     | NY-UTY         | 3406          | 15.01      | 0.30                   | SEP           | 1.43                | 13.00          | -10.3        | 46.4         | 9.1           | 2.3             | -13.4            |
| 1N                                                      | WALTER REALTY     | OC-WALJS       | 1035          | 8.76       | 0.00                   | OCT           | 0.82                | 7.25           | -17.1        | 41.3         | 8.8           | 0.0             | -17.2            |
| 2                                                       | WISCONSIN REIT    | OC-WREIS       | 1514          | 5.92       | 0.10                   | SEP           | 0.42                | 5.13           | -2.3         | 20.7         | 12.2          | 1.9             | -13.3            |
| GROUP AVERAGE                                           |                   | 2358           | 9.64          | 0.71       | 1.18                   | 11.08         | -5.9                | 34.8           | 9.4          | 6.4          | 14.9          | 12.2            | 277.2            |
| MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT    |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                  |
| 2N                                                      | ANRET INC         | PH-ARET        | 509           | 20.47      | 0.00                   | AUG           | 0.01                | 8.13           | -18.7        | -21.7        | 813.0         | 0.0             | -60.3            |
| 4N                                                      | BUILDER INV GRP   | OC-BULDS       | 2844          | 1.83       | 0.00                   | SEP           | 1.59                | 2.25           | -18.2        | -5.5         | 1.4           | 0.0             | 23.0             |
| 3N                                                      | CI MTG GROUP      | PH-CI          | 4812          | 8.68       | 0.00                   | JUL           | 1.83                | 6.75           | -14.3        | -3.6         | 3.7           | 0.0             | -22.2            |
| 5A                                                      | VJCITIZENS MTG    | OC-CZM         | 1421          | -13.29     | 0.00                   | JUN           | 0.76                | 0.13           | 0.0          | -48.0        | 0.2           | 0.0             | -0.0             |
| 1N                                                      | COMPASS INV GP    | PS-CMPSS       | 10371         | 2.24       | 0.00                   | JUN           | -0.06               | 1.25           | -9.4         | -16.7        | 0.0           | 0.0             | -44.2            |
| 4N                                                      | VJCONTINENTAL MTG | OC-CMI         | 20838         | -1.07      | 0.00                   | JUN           | 0.19                | 0.47           | 17.5         | 34.3         | 2.5           | 0.0             | -0.0             |
| 2N                                                      | DMG INC           | NY-DMG         | 7326          | 7.63       | 0.00                   | SEP           | -0.37               | 3.75           | -6.3         | -21.1        | 0.0           | 0.0             | -50.9            |
| 3N                                                      | Y DOMINION M&R    | OC-DMRTS       | 3364          | 1.14       | 0.00                   | AUG           | 1.05                | 3.38           | 0.0          | 79.8         | 3.2           | 0.0             | -4.8             |
| 1                                                       | EASTOVER CORP     | OC-EASTS       | 1034          | 18.49      | 0.20                   | SEP           | 2.35                | 16.50 X        | 7.1          | 26.9         | 7.0           | 1.2             | -10.8            |
| 1                                                       | FGL INVESTORS     | OC-FGI         | 1927          | 7.28       | 0.05                   | AUG           | -0.86               | 5.25           | 0.0          | 27.1         | 0.0           | 1.0             | -27.9            |
| 2N                                                      | FIRST CARO INV    | OC-FCARS       | 1472          | 15.28      | 0.40                   | SEP           | 0.70                | 8.50           | -9.4         | 30.8         | 12.1          | 4.7             | -44.4            |
| 2N                                                      | FIRST MTG INVST   | OC-FMTGS       | 20467         | 3.99       | 0.00                   | JUL           | 2.81                | 1.75           | -24.2        | 7.4          | 0.6           | 0.0             | -56.1            |
| 2N                                                      | FIRST NEWPT CORP  | OC-FNEW        | 2342          | 3.66       | 0.00                   | JUL           | 0.59                | 3.88           | -6.1         | 82.2         | 6.6           | 0.0             | 6.0              |
| 2N                                                      | GREAT AMER M&I    | OC-GAM         | 7372          | 6.70       | 0.00                   | OCT           | 0.12                | 7.75           | -14.8        | 138.5        | 64.6          | 0.0             | 15.7             |
| 2N                                                      | GROWTH REALTY     | NY-GRW         | 2095          | 7.01       | 0.00                   | SEP           | 0.31                | 5.13           | -16.3        | -8.9         | 16.5          | 0.0             | -26.8            |
| 2N                                                      | Y GUARDIAN MTG    | PH-GMI, X      | 19010         | -0.03      | 0.00                   | AUG           | 3.15                | 1.06           | -10.9        | 6.0          | 0.3           | 0.0             | -0.0             |
| 3N                                                      | HAMILTON INV TR   | OC-HAMTS       | 2175          | 5.76       | 0.00                   | SEP           | 0.49                | 4.13           | -23.2        | 50.2         | 8.4           | 0.0             | -28.3            |
| 2N                                                      | HOMAC-BARNES      | OC-HOMC        | 1908          | 8.47       | 0.00                   | JUN           | -0.55               | 2.25           | -5.5         | 19.7         | 0.0           | 0.0             | -73.4            |
| 3N                                                      | INSTITUTIONAL INV | NY-INV         | 6798          | -0.11      | 0.00                   | JUL           | -1.33               | 1.25           | -9.4         | -9.4         | 0.0           | 0.0             | -0.0             |
| 2N                                                      | KENTUCKY PROPTY   | OC-KMTGS       | 1100          | 3.06       | 0.00                   | AUG           | -0.18               | 1.94           | 0.0          | 3.2          | 0.0           | 0.0             | -36.6            |
| 3N                                                      | Y LIFETIME COMMUN | OC-LFTMS       | 6765          | 3.41       | 0.00                   | JUL           | 0.34                | 1.44           | -4.0         | 44.0         | 4.2           | 0.0             | -57.8            |
| 2N                                                      | LINCOLN INVSTRS   | OC-LNMGs       | 1240          | 2.75       | 0.00                   | SEP           | 1.76                | 2.50           | -4.9         | -26.0        | 1.4           | 0.0             | -9.1             |
| 1N                                                      | MARYLAND REALTY   | OC-MDRTS       | 1786          | 4.54       | 0.00                   | AUG           | -0.40               | 2.25           | -10.0        | -21.9        | 0.0           | 0.0             | -50.4            |
| 2N                                                      | MIDLAND MTG       | AS-MMT         | 6193          | 1.39       | 0.00                   | SEP           | 0.38                | 2.13           | -34.5        | 37.4         | 5.6           | 0.0             | 53.2             |
| 1N                                                      | MISSION INV TR    | AS-MIT         | 1812          | 7.76       | 0.00                   | AUG           | 1.82                | 4.88           | 2.7          | -18.7        | 2.7           | 0.0             | -37.1            |
| 2N                                                      | MORAGA CORP       | OC-MORA        | 1355          | 12.50      | 0.00                   | OCT           | 4.25                | 10.00          | 2.6          | 63.1         | 2.4           | 0.0             | -20.0            |
| 4N                                                      | MTG INV WASH      | OC-MINWS       | 3396          | 4.20       | 0.00                   | SEP           | -0.28               | 2.88           | -20.7        | 21.0         | 0.0           | 0.0             | -31.4            |
| 4N                                                      | Y NATIONAL MTG    | OC-NMF         | 3707          | 2.23       | 0.00                   | AUG           | 0.04                | 1.00           | -11.5        | 37.0         | 25.0          | 0.0             | -55.2            |
| 5A                                                      | VJAOVA REIT       | OC-FVM         | 1208          | 8.98       | 0.00                   | SEP           | 0.51                | 2.63           | 0.0          | -6.4         | 5.2           | 0.0             | -70.7            |
| 1N                                                      | PARKWAY COMPANY   | OC-PKMYs       | 1055          | 8.30       | 0.00                   | SEP           | 0.50                | 8.13           | 0.0          | 62.6         | 16.3          | 0.0             | -2.0             |
| 4N                                                      | PLAZA REALTY      | OC-PRSS        | 1114          | -0.45      | 0.00                   | SEP           | -1.08               | 1.75           | 40.0         | 54.9         | 0.0           | 0.0             | -0.0             |
| 3N                                                      | PUMG              | AS-PUM         | 946           | 11.38      | 0.00                   | MAY           | 0.19                | 5.88           | -2.0         | -4.1         | 30.9          | 0.0             | -48.3            |
| 3N                                                      | REPUBLIC MTG      | NY-RMI         | 2107          | 4.29       | 0.00                   | SEP           | 1.39                | 3.00           | -7.7         | 71.4         | 2.2           | 0.0             | -30.1            |
| 2N                                                      | SO ATLANTIC FIN   | NY-SAT         | 2706          | 3.20       | 0.00                   | JUL           | -0.70               | 4.63           | 19.3         | 37.0         | 0.0           | 0.0             | 44.7             |
| 3N                                                      | SOUTHEAST PROP    | NY-SM          | 11774         | 2.04       | 0.00                   | SEP           | 0.18                | 3.75           | -3.4         | 150.0        | 20.8          | 0.0             | 83.8             |
| 1N                                                      | TIERCO            | OC-TIERS       | 2371          | 9.64       | 0.00                   | SEP           | 0.79                | 4.88           | -2.4         | 30.1         | 6.2           | 0.0             | -49.4            |
| 2N                                                      | TOWERMARC         | OC-FMENS       | 1156          | 7.74       | 0.00                   | AUG           | 1.45                | 5.38           | 0.0          | 22.8         | 3.7           | 0.0             | -30.5            |
| 2N                                                      | TRECO INC         | OC-TREC        | 2475          | 2.09       | 0.00                   | SEP           | 0.42                | 1.50           | -22.7        | -3.8         | 3.6           | 0.0             | -28.2            |
| 2N                                                      | TRI-SOUTH INV     | NY-TSI         | 3044          | 6.37       | 0.00                   | SEP           | 0.77                | 2.63           | -22.2        | -16.0        | 3.4           | 0.0             | -58.7            |
| 4N                                                      | Y TRITON GROUP    | PS-TGL         | 19215         | -0.70      | 0.00                   | AUG           | 7.78                | 0.63           | -28.4        | 18.9         | 2.1           | 0.0             | -0.0             |
| 4N                                                      | UMET TRUST        | NY-UAT         | 2109          | 1.52       | 0.00                   | AUG           | 1.76                | 3.75           | 0.0          | 42.6         | 2.1           | 0.0             | -0.0             |
| 3N                                                      | VISTA M&R INC     | OC-VHI         | 1184          | 10.28      | 0.00                   | JUN           | 0.32                | 0.56           | 0.0          | 12.0         | 1.8           | 0.0             | -94.6            |
| 2N                                                      | VYQUEST TRUST     | OC-VYQTS       | 1860          | 5.59       | 0.00                   | AUG           | -0.48               | 4.25           | -15.0        | -15.0        | 0.0           | 0.0             | -24.0            |
| 2N                                                      | WASHINGTON GP     | PH-WAC, X      | 1675          | 0.26       | 0.00                   | SEP           | 0.81                | 1.25           | -19.9        | -16.7        | 1.5           | 0.0             | 380.8            |
| 2N                                                      | WESTPORT COMPANY  | OC-WSPTS       | 2388          | 5.63       | 0.00                   | OCT           | -0.49               | 5.75           | -20.7        | 70.1         | 0.0           | 0.0             | 2.1              |
| GROUP AVERAGE                                           |                   | 4529           | 5.16          | 0.01       | 0.77                   | 3.84          | -6.2                | 18.6           | 5.0          | 0.4          | -25.5         | 14.9            | 523.5            |
| MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR  |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                  |
| 3N                                                      | AM FLETCHER MTG   | OC-AMFIS       | 1352          | 3.39       | 0.00                   | OCT           | 1.82                | 4.00           | 18.3         | 123.5        | 2.2           | 0.0             | 18.0             |
| 3N                                                      | BT MTG INVSTRS    | NY-BTM         | 2116          | 0.88       | 0.00                   | JUN           | -0.25               | 2.00           | -16.0        | 6.4          | 0.0           | 0.0             | 127.3            |
| 2N                                                      | CABERON-BROWN     | NY-CB          | 2016          | 8.76       | 0.00                   | SEP           | -0.84               | 5.75           | 2.1          | 39.2         | 0.0           | 0.0             | -34.4            |
| NR                                                      | CITINAIL DEV      | OC-N/A         | 600           | 13.62      | 0.00                   | SEP           | 0.35                | 10.25          | 0.0          | 12.3         | 29.3          | 0.0             | -24.7            |
| 1                                                       | CLIVELAND TRUST   | OC-CLTRIS      | 2525          | 10.61      | 0.28                   | JUN           | 0.09                | 9.88 X         | -14.4        | 27.5         | 109.8         | 2.8             | -6.9             |
| 3N                                                      | FIRST DENVR MTG   | OC-FDENs       | 1621          | 5.36       | 0.00                   | JUN           | -2.15               | 2.50           | -20.1        | 11.1         | 0.0           | 0.0             | -53.4            |
| 3N                                                      | FIRST PENN MTG    | NY-FFM         | 2961          | 0.18       | 0.00                   | OCT           | -0.83               | 1.00           | -20.0        | -33.3        | 0.0           | 0.0             | 455.6            |
| 2N                                                      | FIRST WISC MTG    | OC-FWMTS       | 1989          | 4.71       | 0.00                   | SEP           | -0.72               | 14.00          | -10.4        | 124.0        | 0.0           | 0.0             | 197.2            |
| 4N                                                      | INDEPENDENCE CO   | OC-INTGS       | 2625          | 3.95       | 0.00                   | SEP           | 0.27                | 4.25           | 2.9          | 23.5         | 15.7          | 0.0             | 7.6              |
| 2N                                                      | WACHOVIA RLTY     | NY-WRI         | 3335          | 9.63       | 0.00                   | NOV           | 0.29                | 5.63           | -4.3         | 9.7          | 19.4          | 0.0             | -41.5            |
| GROUP AVERAGE                                           |                   | 2114           | 6.11          | 0.03       | -0.20                  | 5.93          | -6.3                | 37.0           | -30.1        | 0.5          | -3.0          | -3.2            | 117.2            |
| MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS   |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                  |
| 3                                                       | AMER CENTURY TR   | NY-ACT         | 2607          | 9.31       | 0.10                   | SEP           | 3.73                | 8.38 X         | 1.2          | 45.7         | 2.2           | 1.2             | -10.0            |
| 2N                                                      | GMR PROPERTIES    | NY-GMR         | 2957          | 2.32       | 0.00                   | AUG           | -0.16               | 2.50           | -16.7        | 17.4         | 0.0           | 0.0             | 7.8              |
| 3N                                                      | NORTH AMER MTG    | NY-NAM         | 6901          | 5.45       | 0.00                   | SEP           | -0.13               | 3.63           | -14.6        | -3.2         | 0.0           | 0.0             | -33.4            |
| 1N                                                      | SECURITY CAPITL   | AS-SCC         | 7417          | 6.53       | 0.00                   | SEP           | 0.46                | 3.50           | -26.3        | -12.5        | 7.6           | 0.0             | -46.4            |
| 2N                                                      | STATE MUTUAL IN   | NY-SMU         | 5538          | 7.06       | 0.00                   | OCT           | 0.33                | 4.88           | -11.3        | 2.7          | 14.8          | 0.0             | -30.9            |
| GROUP AVERAGE                                           |                   | 5084           | 6.13          | 0.02       | 0.85                   | 4.58          | -11.2               | 12.3           | 5.4          | 0.4          | -25.4         | 13.8            | 107.3            |
| PREFERRED STOCK & REIT FUNDS                            |                   |                |               |            |                        |               |                     |                |              |              |               |                 |                  |
| NR                                                      | CMT INV CO-PFD    | OC-CMTIP       | 2127          | 7.50L      | 0.00                   | SEP           | 0.64                | 4.25           | -12.9        | 126.1        | 6.6           | 0.0             | -43.3            |
| NR                                                      | CIPRUS CORP       | AS-CIC         | 1425          | 0.32N      | 0.00                   | OCT           | 0.00                | 1.13           | -24.7        | -58.9        | 0.0           | 0.0             | 253.1            |
| NR                                                      | CIPRUS-PFD        | AS-CICPR       | 660           | 21.15C     | 1.70                   | ---           | 0.00                | 12.25          | -9.3         | -10.1        | 0.0           | 13.9            | -42.1            |
| NR                                                      | MIDLAND-PFD       | AS-MMTFR       | 1191          | 3.00L      | 0.30                   | ---           | 0.00                | 4.13           | -8.2         | 6.4          | 0.0           | 7.3             | 37.7             |
| NR                                                      | REIT INCOME       | AS-RET         | 3794          | 4.05N      | 0.00                   | JUN           | 0.35                | 5.25           | 16.7         | 35.3         | 15.0          | 0.0             | 29.6             |
| NR                                                      | REIT-34.38 PFD    | AS-RETPR       | 575           | 51.63C     | 4.38                   | ---           | 0.00                | 42.75          | -0.6         | -3.9         | 0.0           | 10.2            | -17.2            |
| NR                                                      | TRECO-PFD A I     | OC-N/A         | 463           | 1.00L      | 0.00                   | ---           | 0.00                | 0.75           | 50.0         | 0.0          | 0.0           | 0.0             | -25.0            |
| NR                                                      | TRECO-PFD A II    | OC-N/A         | 260           | 1.00L      | 0.00                   | ---           | 0.00                | 0.13           | 0.0          | -48.0        | 0.0           | 0.0             | -87.0            |
| NR                                                      | TRITON-PFD A      | PS-N/A         | 1731          | 30.75L     | 0.00                   | ---           | 0.00                | 16.00          | -20.8        | 10.3         | 0.0           | 0.0             | -48.0            |
| GROUP AVERAGE                                           |                   | 1358           | 13.38         | 0.71       | 0.11                   | 9.63          | -4.6                | 0.7            | 87.5         | 7.4          | -28.0         | 0.8             | 96.1             |

FOR QUALIFIED TRUSTS, ARROWS DENOTE COMPARISON ON OPERATING INCOME FOR YEAR-AGO QUARTER; SALE GAINS AND EXTRA ITEMS INCLUDED IN TRAILING 12 MONTHS. NON-QUALIFIED TRUSTS AND CORPORATIONS COMPARISONS INCLUDE ALL SALE GAINS AND EXTRA ITEMS. \* GROSS CASH FLOW. # NET CASH FLOW, SEE P. 6. TRUSTS REPORTED ON A CASH FLOW BASIS AND DENOTED WITH "N" OR "A" SYMBOL: BOOK VALUE INCLUDES ACCUMULATED DEPRECIATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. BID PRICES SHOWN FOR ALL OVER THE COUNTER STOCKS. PH-PHILADELPHIA EXCHANGE. BO-BOSTON EXCHANGE. PS-PACIFIC EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CHAPTER XI REORGANIZATION COMPLETED. L-LIQUIDATING VALUE. N-NET ASSET VALUE. C-CALL PRICE. Z-PAIRED STOCKS. TRECO PREFERRED SERIES I CONVERTIBLE AT \$1.62.

TRAILING 12 MONTHS DIVIDENDS FOR REIT OF CALIFORNIA, USP REIT, AMERICAN EQUITY, REALTY REFUND, NATIONWIDE, PROPERTY CAPITAL, LOMAS & NETTELTON, US EQUITY & MTG, WISCONSIN REIT, PACIFIC SOUTHERN MTG, PROPERTY TRUST AMERICA, ICM REALTY. SANTA ANITA EARNINGS FOR 9 MONTHS ENDED 9/30/80. STATE MUTUAL EARNINGS FOR 10 MONTHS ENDED OCT. 30, 1980.

NAME CHANGE: HANOVER SQUARE REALTY TO PEARCE, URSTADT, MAYER & GREER, INC.; METROPLEX REALTY TO VISTA MORTGAGE & REALTY, INC.; LINCOLN MORTGAGE TO LINCOLN INVESTORS.



## CONVERTIBLE DEBENTURES

## STRAIGHT BONDS

| DEBENTURE     | EX | INT   | MAT  | MIL \$ | CONV  | SH(000)  | RECENT | YIELD | %     | CONV   | STOCK | ISSUER & DESC.                                                                                                                                                                                                                                                                                                                                                                                                                                                      | EX | INT.  | MATURITY | MIL \$ | PRICE | %      | %     |
|---------------|----|-------|------|--------|-------|----------|--------|-------|-------|--------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------|----------|--------|-------|--------|-------|
|               |    | (%)   |      | OUT    | AT    | RESERVED | PRICE  | (%)   | CHNG  | PARITY | PRICE |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       | CHANGE | YIELD |
| ALAMAND CORP  | OC | 6.50  | '91F | 9.04   | 27.75 | 325      | 48.00  | 13.5  | -11.0 | 13.32  | 10.00 | BAY COLONY PROP-B                                                                                                                                                                                                                                                                                                                                                                                                                                                   | PS | 8.50  | 3/15/89  | 16.4   | 61.00 | -8.9   | 13    |
| AMER CENTURY  | AS | 7.00  | '90  | 2.40   | 17.12 | 140      | 65.00  | 10.8  | 4.8   | 11.12  | 8.38  | BAY COLONY PROP-C                                                                                                                                                                                                                                                                                                                                                                                                                                                   | NY | 8.50  | 3/31/81F | 6.8    | 93.56 | -1.4   | 9     |
| AMER REALTY B | NY | 6.75  | '91  | 9.81   | 23.86 | 411      | 63.00  | 10.7  | 2.6   | 15.03  | 8.38  | BT MTG INV-C                                                                                                                                                                                                                                                                                                                                                                                                                                                        | OC | 5.75  | 1/15/82  | 19.4   | 76.00 | -2.5   | 7     |
| AMER REALTY   | OC | 7.00  | '84F | 1.48   | 10.40 | 142      | 68.00  | DEF   | -9.2  | 7.07   | 4.50  | CITIZ & SO RLY-CD#                                                                                                                                                                                                                                                                                                                                                                                                                                                  | PS | 3.00  | 6/30/93  | 2.4    | 78.00 | -2.4   | 3     |
| BANKAMER RLT  | NY | 9.50  | '90  | 40.00  | 26.16 | 1529     | 105.00 | 9.0   | -0.8  | 27.46  | 24.38 | CITIZNS MTG INV-B                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OC | 8.50  | 4/15/80  | 20.0   | 54.00 | -5.2   | VJ    |
| BANKAMERICA   | OC | 6.75  | '90  | 4.06   | 21.00 | 193      | 112.00 | 6.0   | -5.0  | 23.52  | 24.38 | CNET-C                                                                                                                                                                                                                                                                                                                                                                                                                                                              | NY | 6.50  | 3/1/82F  | 30.0   | 73.50 | -5.7   | 8     |
| BAYSWATER     | OC | 6.75  | '91  | 3.92   | 21.00 | 186      | 46.00  | 14.7  | -19.2 | 9.66   | 9.00  | COMPASS INV-B                                                                                                                                                                                                                                                                                                                                                                                                                                                       | OC | 16.25 | 9/30/94  | 4.4    | 98.00 | -1.9   | 16    |
| CONN GENERAL  | NY | 6.00  | '96  | 68.01  | 32.50 | 2092     | 80.00  | 7.5   | -6.9  | 26.00  | 26.50 | CONN GENL MGR                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NY | 11.50 | 7/15/90  | 50.0   | 83.50 | -3.0   | 13    |
| CONTINL MTG   | OC | 6.25  | '90  | 40.38  | 19.79 | 2040     | 64.00  | VJ    | -1.4  | 12.66  | 0.47  | EQUIT LF MT-H                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NY | 10.20 | 9/1/87   | 50.0   | 90.50 | 0.0    | 11    |
| EQUITBL LF M  | NY | 6.75  | '90  | 5.00   | 26.25 | 190      | 30.00  | 8.4   | -3.5  | 21.00  | 10.13 | FIRST MTG INV-A                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OC | 6.75  | 12/1/82  | 6.3    | 78.00 | -4.8   | 8     |
| FIRST NEWPT   | OC | 6.75  | '91F | 3.04   | 27.50 | 110      | 41.00  | 16.5  | -14.5 | 11.27  | 3.88  | FIRST VA MTG-A                                                                                                                                                                                                                                                                                                                                                                                                                                                      | OC | 4.00  | 11/1/80  | 11.8   | 64.00 | 0.0    | VJ    |
| FIRST PENN M  | OC | 6.75  | '91F | 7.33   | 8.65  | 847      | 47.00  | 14.4  | 0.0   | 4.06   | 1.00  | FIRST VA MTG-BH                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OC | 12.00 | 11/1/80  | 5.0    | 52.00 | 4.0    | VJ    |
| FIRST UNION   | NY | 8.75  | '99  | 35.00  | 18.00 | 1944     | 126.00 | 6.9   | 1.6   | 22.68  | 21.38 | GMR PROPS-B                                                                                                                                                                                                                                                                                                                                                                                                                                                         | PS | 8.50  | 12/3/87  | 15.3   | 61.00 | -8.9   | 13    |
| HEITMAN MTG   | AS | 7.50  | '92  | 7.33   | 14.70 | 498      | 52.50  | 14.3  | -7.8  | 7.71   | 1.75  | GREAT AMER MGMT-B                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OC | 3.00  | 8/1/90   | 15.0   | 48.00 | 0.0    | 6     |
| HOTEL INVSTR  | OC | 7.75  | '90  | 2.41   | 21.00 | 115      | 133.00 | 5.8   | -4.9  | 27.93  | 26.88 | GREAT AMER MGMT-C                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OC | 1.10  | 8/1/91   | 1.3    | 44.00 | 2.3    | 2     |
| HOTEL INVSTR  | OC | 7.50  | '91  | 7.82   | 25.25 | 309      | 112.00 | 6.7   | -3.3  | 28.28  | 26.88 | GREAT AMER MGMT-E                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OC | 1.10  | 8/1/91   | 6.5    | 46.00 | 0.0    | 2     |
| LINCOLN MTG   | OC | 8.00  | '90  | 9.85   | 11.00 | 896      | 55.00  | 14.5  | -8.2  | 6.05   | 2.50  | GROWTH RLTY-C                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NY | 6.75  | 4/15/82  | 9.2    | 85.75 | -1.3   | 7     |
| MASSRUHL MTG  | NY | 6.75  | '90  | 4.74   | 21.00 | 225      | 70.50  | 9.6   | -5.9  | 14.80  | 12.00 | INST INVESTOR-B                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OC | 8.25  | 2/1/87   | 15.2   | 55.00 | -9.7   | 15    |
| MASSMUTUAL M  | NY | 6.25  | '91  | 41.07  | 33.50 | 1226     | 57.50  | 10.9  | -7.4  | 19.26  | 12.00 | NATIONWIDE RE-C                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OC | 7.00  | 1/1/91   | 6.5    | 55.00 | -6.7   | 12    |
| MIDLAND MTG   | OC | 7.00  | '86  | 2.12   | 16.67 | 127      | 50.00  | 14.0  | -21.8 | 8.33   | 2.13  | NO AMER MTG-B                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PS | 8.50  | 11/1/87  | 12.1   | 58.00 | -13.3  | 14    |
| MIDLAND MTG*  | OC | 7.00  | '86  | 2.12   | 16.67 | 127      | 50.00  | 14.0  | -21.8 | 8.33   | 4.13  | NW MUT LF MTG                                                                                                                                                                                                                                                                                                                                                                                                                                                       | OC | 14.00 | 1/1/88   | 15.0   | NQ    | ---    | ---   |
| MONY MTG IN   | NY | 7.00  | '90  | 6.09   | 11.00 | 554      | 69.00  | 10.1  | -15.8 | 7.59   | 7.38  | REALTY REFUND                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NY | 11.38 | 11/1/98  | 20.0   | 69.00 | -12.4  | 16    |
| MTG INV WASH  | OC | 8.00  | '90  | 2.32   | 15.00 | 155      | 58.00  | 13.8  | -10.7 | 8.70   | 2.88  | REALTY REFUND-C                                                                                                                                                                                                                                                                                                                                                                                                                                                     | NY | 12.00 | 5/15/98  | 15.0   | 70.50 | -5.9   | 17    |
| NEWSTRN MUTL  | NY | 6.00  | '91  | 2.77   | 21.00 | 132      | 60.00  | 10.0  | -4.7  | 12.60  | 9.25  | SECURITY MTG-C                                                                                                                                                                                                                                                                                                                                                                                                                                                      | OC | 6.00  | 6/15/82  | 4.7    | 78.00 | -7.0   | 7     |
| OLD DOMINION  | OC | 10.75 | '90  | 3.00   | 9.25  | 324      | 85.00  | 12.6  | -10.4 | 7.86   | 7.88  | SMI INV (DEL)                                                                                                                                                                                                                                                                                                                                                                                                                                                       | AS | 7.25  | 5/1/82   | 18.5   | 90.75 | -2.3   | 8     |
| PAC REAL TR   | AS | 7.00  | '92  | 3.88   | 26.25 | 148      | 99.50  | 7.0   | -1.4  | 26.11  | 25.00 | SO ATLANTIC-C#                                                                                                                                                                                                                                                                                                                                                                                                                                                      | NY | 6.75  | 2/15/82F | 16.9   | 82.88 | -3.1   | 8     |
| PNB MTG       | AS | 6.75  | '91  | 3.24   | 20.00 | 162      | 64.00  | 10.5  | -2.2  | 12.80  | 10.63 | TRECO-C                                                                                                                                                                                                                                                                                                                                                                                                                                                             | OC | 6.75  | 9/1/91   | 5.3    | 42.00 | -12.4  | 16    |
| PNB MTG & RL  | NY | 6.75  | '82  | 17.50  | 20.00 | 875      | 85.50  | 7.9   | -4.9  | 17.10  | 10.63 | DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-VARIABLE RATE IN MAR. AND SEPT.; CONVERT INTO 9% DEBENTURE TO 9/1/86. VJ-BANKRUPTCY REORGANIZATION.<br>X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.<br>#MAY BE USED AT PAR TO EXERCISE WARRANTS.<br>F-TRADES FLAT, WITHOUT ACCRUED INTEREST.<br>NQ= NO QUOTE |    |       |          |        |       |        |       |
| PUNG          | AS | 7.25  | '92  | 4.52   | 21.00 | 215      | 53.00  | 13.7  | -8.5  | 11.13  | 5.88  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| RAM PACIFIC   | NY | 6.75  | '91  | 10.19  | 21.00 | 485      | 88.00  | 7.7   | -4.2  | 18.48  | 20.00 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| REALTY INCOM  | AS | 8.00  | '91  | 15.19  | 18.00 | 844      | 57.00  | 14.0  | -9.6  | 10.26  | 6.00  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| REPUBLIC MI   | NY | 9.00  | '90F | 2.26   | 19.00 | 113      | 102.00 | 8.8   | 0.0   | 19.38  | 3.00  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| SAUL (BF) RL  | OC | 6.50  | '91  | 30.38  | 23.00 | 1320     | 68.00  | 9.6   | 0.0   | 15.64  | 9.00  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| SAUL (BF) REI | OC | 8.00  | '90  | 7.28   | 15.50 | 469      | 82.00  | 9.3   | 1.2   | 12.71  | 9.00  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| STATE MUTUAL  | AS | 6.75  | '91  | 1.29   | 21.00 | 61       | 71.50  | 9.4   | -0.6  | 15.01  | 4.88  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| TRECO         | OC | 8.50  | '98  | 9.39   | 1.62  | 5799     | 100.00 | 8.5   | -16.6 | 1.62   | 1.50  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| TRI-SO / SR   | PH | 10.00 | '88  | 9.68   | 2.50  | 3872     | 110.00 | 9.1   | -21.3 | 2.75   | 2.63  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| TRI-SOUTH MI  | NY | 7.00  | '92F | 5.81   | 29.50 | 197      | 53.00  | 12.1  | 0.0   | 17.11  | 2.63  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| US REALTY IN  | NY | 5.75  | '89  | 8.84   | 20.20 | 437      | 74.00  | 7.8   | -1.2  | 14.94  | 13.00 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| WASH CORP     | OC | 6.50  | '91  | 12.06  | 33.00 | 365      | 40.00  | 16.3  | -11.0 | 13.20  | 1.25  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| WELLS FARGO   | NY | 12.00 | '05  | 30.00  | 20.02 | 1498     | 105.00 | 11.4  | 5.0   | 21.02  | 24.13 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |
| WESTPORT CO   | OC | 6.75  | '92  | 2.32   | 21.00 | 110      | 45.00  | 15.0  | -6.2  | 9.45   | 5.75  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |       |          |        |       |        |       |

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION.  
 F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT.  
 PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.  
 \* CONVERTIBLE INTO PREFERRED STOCK.  
 ALAMAND CONVERTS INTO STOCK OF MORAGA CORP.

## WARRANTS

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends separately. The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

## Earnings and Price/Earnings Ratio:

For all the trusts and former trusts, earnings show are the latest twelve months' earnings. Non-recurring items such as asset swap gains, reversals of loss

reserves, etc., are included in comparisons for nonqualified mortgage trusts, but are not included in comparisons for qualified trusts.

**For property or equity trusts, 12 months' net cash flow** as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "#".

beside their names. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "H". Both earnings (EPS) and net cash flow (CFN) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

**Book value per share** is essentially tang-

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "#") - see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.



(cont'd from p. 2)

take that much longer to get your money out, with continued near-term price fluctuations. Otherwise, continue to pick stocks with the following characteristics: low rate exposure; earning status (to guard against erosion of book value); sufficient turnover in shares to provide liquidity.

We have gone on the record as saying that the real estate investment trusts and former trusts are in a long-term uptrend, independent of the action of the market as a whole. In the past year, price movements in the realty trusts have tended to outstrip gains posted by the Dow and other market indexes or averages, and to undercut losses. That the market looks as if it is positioning for a renewed upswing enhances the potential of the realty stocks. While selectivity will boost returns, we remain bullish on the industry for 1981.

#### REITS IN THE NEWS: YEAR-END WRAP-UP OF LIQUIDATIONS, FINANCINGS; TAX BILL STATUS

Congress has approved the bill which will allow former REITs to carry forward operating losses for tax purposes. The bill is designed to give relief to those trusts which were disadvantaged by the 1976 Tax Act. Prior to that act, REITs could not carry forward their net operating losses, and as a result, many trusts terminated REIT status in order to be able to carry forward losses sustained during the recession of the mid-70's.

The 1976 law changed this, permitting REITs to carry forward net operating losses for up to eight years, but trusts which had terminated REIT status were not permitted to carry forward losses sustained during the period that they remained REITs. The present bill will allow former REITs to activate loss carryforwards earned during REIT status. While the bill carries a rider that trusts which terminated REIT status solely to be able to accumulate tax loss credits will not be able to avail themselves of this benefit, it is not be-

lieved that this will prove to be a problem for most of the former REITs.

The trustees of Denver REIA are recommending that shareholders tender their shares to First City Holdings (Belzberg brothers' interests) for \$37.15/share. Holders will be entitled to receive the quarterly dividend of 35¢/share.

The background of the current tender offer is as follows: Last winter, R-G Denver (Romanek-Golub, Chicago) offered to purchase the assets of Denver REIA for \$35/share. The August proxy for the sale placed the price at \$34/share, with an initial distribution of \$32/share. The trustees approved the offer.

Subsequent to the printing of the proxy, a group of Canadian investors led by the Belzberg brothers who had purchased a 6% stake in the trust, said that they intended to tender for the shares at \$35 each. They then changed this to an offer to purchase the assets for \$36/share, without the \$2/share six-month warranty escrow entailed in the sale to R-G. This was later reversed to a tender for the same amount.

Then, late last month, R-G came back with an offer to purchase the assets for \$37.15/share, which also entitles the shareholders to the quarterly dividend. This offer was endorsed by the trustees; however, First City came back with a tender offer for \$37.15/share, which would also let holders receive the quarterly dividend, and provided for payment either in 1980 or 1981, at the will of the holder. The trustees endorsed this offer; R-G has now raised its offer for the trust's assets to \$38.15/share, but the trustees continue to advise tendering, as the First City offer provides "a prompt source of payment," and a "firm" price, while the R-G offer is subject to costs of liquidating and other contingencies.

Trustees are obligated by contract to R-G to vote for the R-G acquisition; but they advise failure on the part of



holders to tender may result in share ownership in an entity controlled by First City and which was no longer a REIT. We advise tendering shares.

The purpose of the preceding exhibition is to show what can happen when two players are each trying to buy a trust or its assets. The amount of money looking for real estate plus the time horizon between an initial offer and ultimate realization ensures that this will not be an exception in cases of highly attractive and touted trusts.

Thus we have the current situation at Franklin Realty. Early this year, Franklin announced that it would study liquidating its assets. Only last week did its trustees approve the adoption of a liquidation plan, to occur "within a 12-month period after shareholders approve the Plan."

The major force behind the decision to liquidate has been a group of shareholders known collectively as the Franklin Realty Shareholders Association, who own about 25% of the trust. But now, they have advised the trustees that they will not approve the plan. Since the plan must be approved by two-thirds of the outstanding shares, the shareholders association will probably be able to block it. Here too, we expect that the break-up price will have to be raised before it will be effected.

Murray Mortgage Investors, a Dallas-based REIT, has announced that its trustees have voted to recommend liquidation at the April, 1981, annual meeting. The plan would entail elimination of bank debt with proceeds from maturing mortgages and property sales, expected about the end of 1981. Following payment of the debt, periodic liquidating dividends would be paid as other investments mature or are sold, with most of the payment expected within two years after the first distribution. The current net book value of the trust is about \$10/share; invested assets total about \$11.3 million.

After trying for two years, it looks as if Nationwide REI will be able to effect its merger into Old Stone Corp.

The Nationwide shareholders meeting is scheduled for December 30.

Under the plan, Nationwide holders will receive for each Nationwide share one share of voting preferred stock in Old Stone Corp., convertible into  $\frac{1}{2}$  common share. The preferred shares will pay a dividend of \$2.40. In addition, a liquidating trust will be created to hold for the benefit of current trust holders any proceeds from 400 acres of mineral rights in Indian Lake, Pa.

In order to effect the merger, Nationwide had to write down its book value from the June 30, 1980, balance sheet figure of \$25.08/share to a fair value of \$16.40/share, or a 35% discount from book, demonstrating quite forcibly that real estate values can swing both ways. The current share price reflects the merger valuation; we advise approval by shareholders.

CleveTrust Realty is buying out the Tulip Real Estate/Champion Asset Management ownership of 22.4% of its shares with cash and four properties. The shares were purchased for an average price of \$10.73/share; CleveTrust is trading \$900,000 plus two apartment buildings, a land parcel, and a Dallas office building with a total carrying value of \$13.5 million, before the deduction of any loss reserves. The land parcel and one of the apartment buildings are non-earning assets.

Institutional Investors Trust has announced that the agreement in principle whereby Equity Financial & Management (owned by the SZRL Investments interests) would acquire at a discount IIT's senior bank debt has expired. Under the agreement, Equity Financial was to acquire a 50% interest in the trust for some \$16.4 million by purchasing shares (which would be issued by the trust) and debt from IIT's banks, as well as shares from the trust itself. The trust is continuing discussions with Equity Financial in the hope of resolving differences; it is also free to negotiate with other organizations.

Walter Realty's deal to be acquired by Cheezem Development for \$10/sh. is off.